The Square and the Tower: Networks and Power, from the Freemasons to Facebook
(Niall Ferguson)
January 25, 2018

This book, by the always fascinating Niall Ferguson (though his main product for sale is always himself), analyzes capsule summaries of episodes from history, in order to negatively contrast spontaneous, networked action (the "square") with hierarchical control (the "tower"). Two theses flow from this, one stated early on, the other only explicitly presented at the end. The first is that our networked age is not unique; in fact, it is the second such age, and lessons are to be gained from this, including that, from a historical perspective, networks are too often ignored in favor of focus on hierarchies. The second is that networks with actual power are mostly anarchistic poison.

There is apparently a modern academic discipline called "network theory," in which statisticians and sociologists spend their days creating complex graphs to illustrate connections among everything from newts to nuclear power, using math to quantify the contents of those graphs. Network theory forms the basis of *The Square and the Tower*, which is full of spidery graphs with interlocking and overlapping lines of different thickness, connecting circular nodes of various sizes. This is interesting enough, and sometimes even illuminating. It is true, though, that Ferguson elides a variety of definitional problems. For example, he does point out that a hierarchy is merely a kind of network, with limited or zero lateral connection between nodes. But this, combined with the many different types of networks adduced, and Ferguson's admission that "most networks are hierarchical in some respects," necessarily implies a continuum between network and hierarchy, not the sharp division on which Ferguson rests the entire book. Another problem is that what the actual connections that constitute a network are is never discussed. At one point the author does mention "friendship, intermarriage, and membership of clubs," but there is a big difference between marriage ties on the one hand and ties of supposed friendship on the other hand. The reader realizes instinctively that not all network ties are created equal. A chart of the connections among China's political

elite is fascinating, but what do the lines mean, exactly? This problem goes unaddressed and unsolved.

But it's Ferguson's book, and this is how he has chosen to approach the matter. By his own detailed admission in the Preface, Ferguson is an inveterate networker—not in the sense of handing out his card to strangers at cocktail parties, but in that he (like his hero, Henry Kissinger) is extremely well-connected. As he admits, though, he has no power. Almost nobody reports to him and he is a member of no relevant hierarchy. Looking at the individuals he thanks, and at the footnotes, which seem voluminous but are mostly "ibid.", Ferguson (at least for purposes of this book) circulates in exactly the network I'd expect (not one where I am ever invited). He name checks, among others, Francis Fukuyama, Graham Allison, Anne-Marie Slaughter, Robert Rubin, and Marc Andreesen. In other words, he name-checks the Davoisie, the neoliberal elite. Certainly Steve Bannon and Michael Anton don't like any of these people. In itself that means little, but what Ferguson nowhere admits about networks is that they can offer their participants much, but they can also be insular and limiting. Not that Ferguson seems either insular or limited—in fact, he seems remarkably open-minded in these days of ever-increasing forced conformity, such as with his admission that he was wrong to vote against Brexit. And he's not very woke—among other examples, he says that he turned to writing because "the academic life turned out to be rather less well remunerated than the women in my life seemed to expect." Tool of the patriarchy! Nonetheless, the reader should probably remember that a network can be a prison as well as a key.

Ferguson chooses to start his discussion of networks with talk of an imaginary network—the Illuminati. There was a real Illuminati, of course, a German secret society in the late 1700s, of the type favored by intellectuals of the time, which attracted quite a few prominent men, but was rapidly and permanently suppressed by the Bavarian government. The end. But, of course, ever since conspiracy theorists have postulated the society's continued existence, ascribing to it world-spanning power and putting it at the center of, or as the most important node of (to use network theory terms), a network that rules the world. (I have never been attracted to conspiracy theories, because they are irrational. Certainly, there are conspiracies, but it is also certain, as Benjamin Franklin said,

that "Three can keep a secret, if two of them are dead." Conspiracies tightly constrained in membership and time can sometimes succeed, a topic on which Machiavelli has much to say. But over any significant time frame, at some point some conspirator will find it profitable to betray the conspiracy, if for no other reason than to clear his conscience.) However, as Ferguson points out, not only have the Illuminati and other networks, including real ones such as the Freemasons, never had all the power often ascribed to them, the past 250 years have been a time of hierarchical dominance, culminating in the mid-twentieth century. Our age, though, is the age of resurgent and newly powerful networks, in the form of both secretive Muslim terror networks, and, what could otherwise not be more different, public networks embodied in businesses of great power, and these networks do not play nice with the hierarchies that have dominated our world for the past two centuries.

That the Illuminati are grossly overrated is not to say that networks have not often been important. In fact, one of Ferguson's points is that the role of networks in history has been underappreciated, because it's easier to record data about, remember, and write about the institutions created by hierarchies. (Another under-addressed definitional problem is connected to this, though—the distinction between networks lacking power, like the Rotary Club and other "civil associations," or Ferguson's own connections that get him access to research material, and networks with power. The former are unimportant in this context, but what's the dividing line, and what gives a network power?) Before we get anywhere, Ferguson first spends fifty pages on technical descriptions of network theory, which is both surprisingly well-done and competently linked to the rest of the book, and illuminating in that it clearly explains how some networks are better at accomplishing things than others. Quickly enough, though, we get to Ferguson's first major point—that our networked age is the second networked age in modern history, and so to cast our time as unique is wrong and wrongheaded.

The first networked age, according to Ferguson, followed hard on the heels of the invention and rapid spread in Europe of the printing press, and lasted until the end of the eighteenth century. (Although in a few places Ferguson uses non-Western examples in this book, such as the Taiping Rebellion, non-Western cultures play almost no role in this book, which is not surprising, since they have played no important

role in creating any aspect of the modern world.) We bounce around, talking in one chapter about Benedetto Cotrugli's (I never heard of him either) *Book of the Art of Trade* to, in other chapters, talking about Portuguese trade network expansion, Pizarro and Spanish-Indian mixing, and much more, with point-counterpoint among networks and hierarchies. Woven throughout this, though, is the outline of a subtle theme only later made explicit—that networks often kill.

Printing led to the Reformation, which led to, among other horrors, the Thirty Years War, which the virtuous (and hierarchical) Peace of Westphalia finally ended (Ferguson is a Westphalian to his core, as will become evident). Then the networked crowd and the breakdown of hierarchy led to the Terror, in 1793, and it was only the (hierarchical, and workaholic) Napoleon who finally ended the resultant anarchy. The 1815 (and very hierarchical) Congress of Vienna kept the peace for a hundred years. (Here Ferguson channels Henry Kissinger as if from a fire hose, and he recurs to Kissinger throughout the book—he is writing the second volume of his Kissinger biography, so I assume the man is on Ferguson's mind. That said, Ferguson does love to shoehorn into his books characters from his other books, from the Rothschilds to Siegmund Warburg, and he constantly drops footnotes to his own works to support his contentions, all of which is a little bit jarringly circular.) Then, to be fair, Ferguson notes that bad hierarchies (especially Stalin's—Ferguson correctly notes that Hitler had vastly less central control than did Stalin) killed a lot of people in the twentieth century, at the zenith of global hierarchical control—but they originated from networks, and they also controlled a lot of networks (though that suggests, again, an unclear dividing line between hierarchy and network).

In connection with the rise and success of Communism, Ferguson repeatedly recurs to the network of the traitorous Cambridge Apostles, a group which he snarkily calls the "Homintern." (Ferguson slagged John Maynard Keynes a few years back for naturally not being invested in the future, being an "effete" homosexual who was "indifferent to the long run because he had no children." Then he apologized, although his statement was inarguably accurate, and generally applicable. Whether or not homosexuals are generally corrosive of society, in times past when homosexuality was not widely accepted, there is no doubt that being a homosexual tended to place such an individual in a position hostile to

the traditional pillars of society. Ferguson moreover says that Oxford men are "muscular" and "heterosexual," as opposed to Cambridge men, who are not. Sure, he's talking about eighty years ago, but given that he went to Oxford, the reader wonders if this is all some kind of inside joke.) The point of discussing the Apostles, of course, is to contrast the (pernicious) effects of their network with the opposing, ineffectual networks of English counterespionage, as well as more generally of elite Englishmen, and to describe the service of the Apostles to Stalin's hierarchy. Again, this furthers the general, but not yet made explicit, theme that networks are poison.

The book takes numerous detours that bear tangentially on networks, from a discussion of anti-Chinese policy in nineteenth-century California to a discussion of Alfred Milner's network of powerful Englishmen. Onwards we go, enjoying the ride, although wondering where we are going. We examine Axis attempts to use the networks of Islam to incite *jihad* against the British Empire. We examine the British general Walter Walker, who used networks to defeat the Indonesians in Borneo, during the 1950s (his methods could never be used today, though, given that in today's American military, every time you want to kill someone, you have to get a lawyer to sign off first). The problem is that these vignettes, each of which is interesting, hang together only loosely. For example, there is a four-and-a-half page chapter on "The Triumph of Davos Man," discussing the World Economic Forum held there (in fact, at this moment being held there—again, I was not invited). The point seems to be the power of networks, but actually most of the discussion is about Nelson Mandela and nationalization of industry. Interesting, sure, but it's just not clear what the point is, or how this fits in. Ferguson also seems to love the evil little imp George Soros, and he falsely refers to him as "a refugee from Nazism"—in fact, as a teenager Soros eagerly collaborated with the Nazis, including in the seizure of goods from other Jews, and only left Hungary in 1947, so if anything, he was a refugee from Communism, not Nazism.

We get network analysis of Islamic terrorism, including ISIS. We get an analysis of the 2008 financial crisis, alleging that Lehman Brothers was allowed to fold because Dick Fuld didn't belong to the right networks. What the right networks would have been for Fuld isn't specified, which is odd, because the answer is obvious—the network centered around

Goldman Sachs. This lacuna is puzzling—that network would make, for example, a perfect object of exactly the type of network analysis graph Ferguson offers throughout the book, and it could be done with publicly available information. My guess is that it would be incredibly informative, and incredibly disturbing. But not a word is said about Goldman Sachs in this entire book. Another lacuna is also puzzling—despite repeated mentions of the network of Donald Trump, that network is similarly treated as opaque, when mapping it would be extremely interesting, much more interesting than Alfred Milner's network, certainly. And, finally, we get detailed thoughts on Apple, Google, Facebook, and Twitter.

Ferguson waits until almost the very end to explicitly reveal his true feelings, and his second major point—he thinks that networks, at least those with power, are a death-dealing abomination that reinforces bad hierarchies without offering anything good in return. Not for him the optimism of Anne-Marie Slaughter's *The Chessboard and the Web* (a recent book that got almost zero attention when released, despite the author's prominence, for reasons I do not understand, though perhaps Ferguson continuously referring to her will help). Ferguson opens up his artillery on the new Lords of the Network. "And when [Mark Zuckerberg] says that 'the struggle of our time' is between 'the forces of freedom, openness and global community against the forces of authoritarianism, isolationism, and nationalism,' he seems to have forgotten just how helpful his company has been to the latter." Ouch. Ferguson more or less sees Zuckerberg as a nasty combination of the worst aspects of Robespierre and Stalin, and that's also, for the most part, how he sees the other companies that dominate the modern networked world. (In this he has a lot of commonality with Franklin Foer in *World Without Mind*, who sees the "GAFA" companies as pretty much the incarnation of evil, though for somewhat different reasons, and I agree.) And they gave us Donald Trump, whom Ferguson doesn't seem to like much, though he doesn't spend much time attacking him, merely sniffing here and there in a way that suggests he thinks an unpleasant stench is lurking somewhere nearby, and Twitter, along with Mark Zuckerberg, is to blame.

The specific companies are not the problem, which would exist with other companies with different names and leaders. The point is that networks, whether social and internet-based, or amped up with robots

and artificial intelligence, won't lead to human happiness and peace, any more than the networks of the Gutenberg era did. Unless we all end up sedated in an Aldous Huxley dystopia, "A more likely outcome is a repeat of the violent upheavals that ultimately plunged the last great Networked Age into the chaos that was the French Revolution." Ferguson certainly has that Revolution on the brain: "The lesson of history is that trusting in networks to run the world is a recipe for anarchy: at best, power ends up in the hands of the Illuminati, but more likely it ends up in the hands of the Jacobins. . . . Those who lived through the wars of the 1790s and 1800s learned an important lesson that we would do well to re-learn: unless one wishes to reap one revolutionary whirlwind after another, it is better to impose some kind of hierarchical order on the world and to give it some legitimacy." By this he explicitly means a hierarchical order of great nation-state powers, not some new order of technology giants, the past sunny optimism of whose leaders Ferguson brutally contrasts to their more recent admissions that the now-arrived future is not what they expected, while he predicts yet worse to come.

The key to much of this is a quote that Ferguson offers early in the book, from Francis Fukuyama, "hierarchical organization . . . may be the only way in which a low-trust society can be organized." Most of the world has always been low-trust, other than a few ethnic networks, and a few Western countries. But the West is becoming ever lower trust, we can all agree (for reasons on which it is harder to agree), so if it is true that hierarchy is needed in inverse proportion to trust, the future is hierarchical, or it is anarchic. Very importantly, though, these will be new hierarchies. Modern networks have disrupted the old hierarchies, and while nation-states (at least relevant ones) are unlikely to crumble, the hierarchies within them will be almost wholly new. Ferguson makes this explicit in his criticism of the administrative state, which he decries as "the last iteration of political hierarchy, a system that spews out rules, generates complexity, and undermines both prosperity and stability." In this analysis, the rise of Trump is merely the leading edge of this turnover, and the desperate attempts of neoliberal Democrats and Republicans to stuff the genie back into the bottle, by using hashtags or by using the weaponized Justice Department to maintain their power, are doomed.

Ferguson ends the book by snickering at the new palaces of Facebook, Google, and Apple, and contrasting them to the (unnamed) Trump Tower

in New York. The last two sentences of the book are, "On the other side of the United States, however, there looms a fifty-eight storey building that represents an altogether different organizational tradition. And no one individual in the world has a bigger say in the choice between networked anarchy and world order than the absent owner of that dark tower." It seems unlikely that Ferguson does not realize the echo to Stephen King's famous novella *The Dark Tower*, in which an evil immortal clashes with a hereditary gunpowder knight wielding revolvers forged from the metal of Excalibur (with an awesome opening line, "The man in black fled across the desert, and the gunslinger followed."). He perhaps does not realize, though, that the dark tower of that novella is actually the structure that holds together the universe, and is a force only for good, attacked continuously by evil. But whatever Ferguson is trying to tell us about Trump Tower, this overrates the impact that Trump, or any one person, can have in forestalling anarchy. Facebook, Google, Apple, and so on have immense power, much more than Trump, and more than the mental and moral midgets in Congress, who represent the decayed political structure of end-stage liberalism (in the Enlightenment sense, encompassing both classical liberals and progressives) and the administrative state. That doesn't mean the power of those companies can't be broken, and new hierarchies regain relative power. But Trump isn't going to do it, nor will chaos among nation-states demolish the Lords of the Network. Something new, and different, is needed, and, I suspect, this way it comes.